

-----Original Message-----

**From:** Einar Maisch [mailto:elmaisch@pcwa.net]

**Sent:** Monday, December 09, 2002 10:15 AM

**To:** Minton, Jonas

**Cc:** Sajac, Virginia; Dave Breninger

**Subject:** Notes from 12/3 meeting

I don't know if this is any help, but here are my notes from the 12/3 B160 meeting.

The State's water supply situation is under pressure from powerful and dynamic forces, including increasing population and climate changes. There is a huge, looming water supply shortage problem that the State must face as it moves forward to 2030. The three primary water use constituent groups that will have to collectively deal with this future situation are: the Environment, Agriculture and Urban.

The current status of these 3 groups can be summarized as follows:

Significant quantities of water have been reallocated to the environment over the past decade; however, advocates for the Environment believe that more is needed. CEQA, NEPA and the Endangered Species Act have given representatives of the Environment a powerful bargaining position in the battle for water in California.

Agriculture, which uses most of the State's water and represents a large part of the State's economy, faces allegations that it has not done its part to improve its water use efficiency like the Urban sector has. There appears to be a trend of the Urban sector purchasing water from Agriculture.

The State's Urban population is expected to increase by up to 15,000,000 people by 2030 and that population increase will put significant pressure on the State's physical water system and its related political system.

The State is no longer in the business of developing new, massive water supply projects. However, it does still have a significant role through its endorsement of the CALFED Record of Decision and the Colorado River 4.4 Plan.

This Bulletin 160 will recognize that most future water resource solutions are going to be implemented on a local or regional scale.

There are an array of programs and practices that Bulletin 160 will identify that can be used to help meet the future needs, including:

- Increasing the supply
  - New reservoir storage
  - Desalination

- Increased water use efficiency
  - Water conservation
  - Reclamation
  - Groundwater conjunctive use
  - Reservoir reoperation
- Water Transfers
  - Agriculture
  - Urban
  - Environment

Long term, projects to increase supply and increased water use efficiency are unlikely to meet all of the needs of the State to 2030. Water transfers are likely to be an increasing part of how the State's future water needs are going to be met. It is in this direction that market forces are pushing (as new supplies of water for growing urban areas become increasingly costly to develop, the market price rises and existing low productive water users will be increasingly willing to sell their supplies.) However, water transfers can have significant secondary impacts and market forces do not work naturally to provide water for the Environment.

There will be a tremendous struggle over how water will be used and reallocated in the future. There will be significant social and economic fallout from however the State ultimately handles the dynamic forces at work in California over water.

What Bulletin 160-03 needs to do is to frame the policy role options of the State in facilitating and/or regulating the implementation of regional solutions in the face of strong dynamic forces, in a market economy and against the backdrop of competing social, environmental and economic interests.

Helpful State policies could include:

- Endorsing the implementation of regional, collaborative water use agreements, such as the Water Forum Agreement.
- Recognizing the benefits of maintaining the full water supply benefits of locally developed water supply projects, which contribute to the meeting the State's water supply needs without causing any new impacts.
- Facilitating water transfers of new water created by more efficient operation of existing reservoirs.

Einar Maisch, Director of Strategic Affairs  
 Placer County Water Agency  
 (530)823-4889  
 elmaisch@pcwa.net